

### **Remarks/Argument**

In the Office Action dated October 15, 2007, the Examiner rejected claims 1-4, 6-27, 29 and 30 under 35 U.S.C. § 102(b) based on public use or sale of the invention. The Examiner rejected claims 1, 2, 4, 6-9, 25, 26 and 28-30 under 35 U.S.C. § 102(b) as being anticipated by "Primavera Launches PrimeContract for the Construction Industry; PrimeContract Streamlines E-Commerce, Collaboration and Project Control via the Internet," Business Wire, November 29, 2000 (hereinafter "the PRIMAVERA Article"), p.1. The Examiner rejected claims 5, 10 and 27 under 35 U.S.C. § 102(b) as being anticipated by "Primavera PrimeContract: The Future of Construction" (2001) (hereinafter "the PRIMAVERA Brochure").

Also, in the Office Action dated October 15, 2007, the Examiner rejected claim 3 under 35 U.S.C. § 103(a) as being unpatentable over "Primavera" in view of "SK Drywall v. Developers Financial," Arizona Business Gazette, November 8, 1991, p. 52. The Examiner rejected claim 11 under 35 U.S.C. § 103(a) as being unpatentable over "Primavera" in view of "Retainage, what is it?" New York State Office of the State Comptroller, Accounting Bulletin A-191 R1 (last updated October 18, 1999). The Examiner rejected claims 12-24 under 35 U.S.C. § 103(a) as being unpatentable over "Primavera, as evidenced by Brochure."

Applicants respectfully traverse these rejections, at least for the reasons stated below.

### ***Claim Summary***

By this Amendment, claims 5, 8-10 and 25-27 have been canceled, without prejudice and without disclaimer the subject matter. Claims 6, 7, 11 and 12 have been revised to address claim dependency and minor informalities, and claim 1 has been revised to substantially include the subject matter of cancelled claim 5. New claims 31-37 have been submitted for the Examiner's consideration.

Claims 1-4, 6-7, 11-24 and 28-37 are pending in the application. Applicants respectfully submit that all pending claims are in condition for allowance.

**35 U.S.C. § 102 Rejections (Public Use/On-Sale Bar) - Claims 1, 2, 4, 6-9, 25, 26 and 28-30**

Applicants respectfully traverse the rejection of claims 1, 2, 4, 6-9, 25, 26 and 28-30 under 35 U.S.C. § 102(b) based on public use and/or offer to sell more than one year prior to the date of the present application (i.e., October 4, 2002, based on Provisional Application No. 60/415,762, from which the present application claims priority).

Initially, Applicants note that the Examiner asserted that Applicants have not provided evidence supporting representations made in an Information Disclosure Statement, filed April 9, 2004, describing the meeting with two contractors and one subcontractor more than one year prior to October 4, 2002 (the filing date of the Provisional Patent Application No. 60/414,762). Accordingly, Applicants have provided herewith a Declaration, signed by inventor Sherwood Creedle, describing the meeting, the purpose of which was to present the concept to the invitees, who had experience and expertise in contract administration, to get feedback and to attempt to determine marketability. (Declaration, ¶¶6, 7). It was not the purpose of the meeting to make an offer to sell to any of the attendees, and an offer to sell was not made during the meeting. (Declaration, ¶8).

Applicants therefore submit that, based on the evidence provided in the signed Declaration, the meeting did not constitute a public use or an offer to sell under 35 U.S.C. 102(b), at least for the following reasons.

First, the purpose of the meeting was not to make an offer to sell, and no offer to sell was actually made during the meeting. (Declaration, ¶8). Rather, the purpose of the meeting was to gather feedback from the attendees, who were considered to have expertise in performing and administering construction contracts, and to determine whether a product generally enabling administration of a contract over the Internet was desirable and whether there was a potential market. (Declaration, ¶¶6, 7).

Second, the disclosure to the third parties was done in accordance with an agreement of confidentiality. Hart Business Solutions had a written confidentiality

agreement in place with its contractor for software development, Captech Ventures, Inc. (Declaration, ¶15). With respect to the other meeting attendees, there were only two general contractors and the subcontractor (Declaration, ¶3).<sup>1</sup> The circumstances of the meeting clearly indicated a reasonable expectation of confidentiality: The meeting was private and by invitation only (Declaration, ¶¶3, 4, 9), the attendees were told that the information was confidential (Declaration, ¶9), the attendees were not permitted to keep copies of the PowerPoint presentation, which were deliberately collected at the end of the meeting (Declaration, ¶10), and the attendees were not permitted to take notes (Declaration, ¶11). Such an expectation of confidentiality is sufficient, even in the absence of a written confidentiality agreement. See MPEP 2133.03(a)(II)(A)(4) (citing *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386 F.3d 1371, 1380-81, 72 USPQ2d 1901, 1909 (Fed. Cir. 2004)). For example, as set forth in the MPEP, factors considered by the Federal Circuit in determining whether the “totality of the circumstances” indicated that an exhibition was confidential included the facts that an exhibition display “‘was not open to the public, that the identification of attendees was checked against a list of authorized names ..., that attendees were escorted through the showroom, and that the attendees were not permitted to make written notes or take photographs inside the showroom.’” *Id.* As indicated by the attached Declaration, the totality of the circumstances shows that Applicants’ discussions were similarly intended to be confidential and Applicants had a reasonable expectation of privacy. See MPEP 2133.03(a)(II)(A)(3) and (4).

Third, regardless of the confidentiality, the general concept was in the early design stages, in that no software code had yet been developed or written at the time of the meeting. (Declaration, ¶5). Therefore, the invention was not yet sufficiently reduced to practice for there to be an offer to sell. See, e.g., MPEP 2133.03(b)(II)(C). “The on-sale bar was not triggered by an offer to sell because the inventor ‘was not close to completion of the invention at the time of the alleged offer and had not

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<sup>1</sup> The Examiner insinuated that there were additional attendees based on the term “Guests” on page 3 of the PowerPoint presentation. See Official Action, p. 3. However, the “Guests” merely referred to the two general contractors and one subcontractor who attended the meeting (Declaration, ¶14).

demonstrated a high likelihood that the invention would work for its intended purpose upon completion.” *Id.* (quoting *Micro Chemical, Inc. v. Great Plains Chemical Co.*, 103 F.3d 1538, 1545, 41 USPQ2d 1238, 1243 (Fed. Cir. 1997)).

Fourth, even if the invention had been close to completion, there was no discussion that rose to the level of detail sufficient to constitute an offer to sell under 35 U.S.C. 102(b). For example, there was no discussion of price and/or a time or place of delivery (Declaration, ¶¶12, 13), and no such offer was actually made (Declaration, ¶8). No offer to sell occurs where the discussions “lacked material terms of a commercial offer such as pricing for the product, quantities, time and place of delivery, and product specifications ....” MPEP 2133.03(b)(II)(D) (citing *Elan Corp. PLC v. Andrx Pharms. Inc.*, 366 F.3d 1336, 1341, 70 USPQ2d 1722, 1728 (Fed. Cir. 2004)). Moreover, there was no actual offer to sell made during the meeting. (Declaration, ¶8).

Accordingly, Applicants respectfully request the Examiner to withdraw the rejections under 35 U.S.C. § 102(b), based on on-sale bar and/or public use.

**35 U.S.C. § 102(b) Rejections - Claims 1, 2, 4, 6-9, 25, 26 and 28-30**

With respect to claims 1, 2, 4, 6-9, 25 and 26, the Examiner rejection of these claims under 35 U.S.C. § 102(b) as being anticipated by the PRIMAVERA Article is moot. In particular, independent claim 1 has been amended to substantially include the subject matter of claim 5, which is allowable over the cited references, as discussed below. Claims 2-4, 6 and 7 depend from claim 1, and are therefore allowable for the same reasons. Claims 8, 9, 25 and 26 have been canceled, without prejudice and without disclaimer of subject matter.

Further, claims 2-4, 6 and 7 are allowable in view of their additional recitations of novelty. For example, claim 6 recites, in part, “sending the payment amount from the server to another one of the performing parties through the data network.” The Examiner relied on paragraph 8 the PRIMAVERA Article to disclose this feature. However, the entire discussion relating to payment disclosed in paragraph 8 is that “a third party is able to certify the application, which then triggers payment.” There is no

mention of sending the payment amount from a server to another one of the performing parties through a data network.<sup>2</sup>

With respect to claims 28-30, Applicants respectfully traverse the rejection under 35 U.S.C. § 102(b) as being anticipated by the PRIMAVERA Article because the PRIMAVERA Article does not disclose each and every feature of these claims. More particularly, claim 28 recites, in part, “a database for storing data relating to each plurality of users, the data comprising an account number corresponding to each user ... wherein an electronic payment directed to the account number corresponding to the user is initiated in response to the payment request when the payment request is approved.”

The Examiner relied on paragraphs 8 and 9 of the PRIMAVERA Article to disclose these features. However, the discussion relating to payment disclosed in these paragraphs is that “a third party is able to certify the application, which then triggers payment” and “[t]his tool will allow us to consolidate data and access it in real time, shaving two-to-three weeks off of our current payment processes.” There is absolutely no mention of (i) an account number corresponding to a user, (ii) a database that stores an account number, (iii) an electronic payment or (iv) an electronic payment being directed to the account number corresponding to the user.

Accordingly, because the PRIMAVERA Article fails to disclose each and every claim recitation, Applicants respectfully request the rejection of claim 28 under 35 U.S.C. § 102(b) to be withdrawn. Claims 29-30 depend from claim 28 and are therefore allowable for at least the reasons discussed above.

### ***35 U.S.C. § 102(b) Rejections - Claims 5, 10 and 27***

Applicants respectfully traverse the rejection of claim 5 under 35 U.S.C. § 102(b) as being anticipated by the PRIMAVERA Brochure because the PRIMAVERA Brochure does not disclose each and every feature of this claim. Claims 10 and 27 have been canceled, without prejudice and without disclaimer of the

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<sup>2</sup> New independent claim 31 is similar to claim 6, and therefore new claims 31-33 are allowable over the PRIMAVERA Article for at least substantially the same reasons set forth

subject matter, and therefore the rejection of these claims is moot. Claim 5 has also been canceled, but claim 1 has been amended to substantially include the subject matter of claim 5. Therefore the following discussion is directed to the recitations of original claim 5 and claim 1, as amended.

Initially, Applicants submit that the Examiner's rejection is improper under 35 U.S.C. § 102(b). The Examiner has combined the teachings of two separate references: the PRIMAVERA Article and the PRIMAVERA Brochure. Therefore, 35 U.S.C. § 102(b), which provides that the invention must be "described in a printed publication in this or a foreign country ... more than one year prior to the date of the application for patent in the United States," is not applicable. See 35 U.S.C. § 102(b) (emphasis added). In other words, the disclosure must be included in one printed publication, not a combination of publications. The Examiner has thus improperly combined the teachings of multiple references under 35 U.S.C. § 102(b). The fact that the two references purportedly describe the same product is not an exception.

Regardless, the combined teachings of the PRIMAVERA Article and the PRIMAVERA Brochure do not disclose each and every feature of the claimed embodiments. For example, revised claim 1 recites, in part, "calculating a contract markup amount based on the performance data ..." (emphasis added). The Examiner acknowledged that the PRIMAVERA Article does not teach the use of markups. See Official Action, p. 9 (with respect to canceled claim 5). The Examiner therefore relied on language in the PRIMAVERA Brochure, which merely states "Add mark-ups." There is no disclosure of actually automatically calculating the mark-ups based on performance data.

Accordingly, because the PRIMAVERA Article fails to disclose each and every claim recitation, Applicants respectfully request the rejection of claim 1 (which has been amended to substantially include the subject matter of claim 5) under 35 U.S.C. § 102(b) to be withdrawn. Claims 2-4, 6 and 7 depend from claim 1 and are therefore allowable for at least the reasons discussed above.

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with respect to claims 1 and 6.

**35 U.S.C. § 103 Rejections - Claims 3 and 11**

Applicants respectfully traverse the rejection of claims 3 and 11 under 35 U.S.C. § 103(a) as being unpatentable over “Primavera” in view of “SK Drywall v. Developers Financial” and “Primavera” in view of “Retainage, what is it?”, respectively. Both claims 3 and 11 depend from claim 1, and are therefore allowable for at least the reasons discussed above with respect to claim 1. Further neither “SK Drywall v. Developers Financial” nor “Retainage, what is it?”, either alone or in any proper combination, cure the deficiencies of the PRIMAVERA Article (and/or the PRIMAVERA Brochure), on which the Examiner relied in rejecting claim 1.

**35 U.S.C. § 103 Rejections - Claims 12-24**

Applicants respectfully traverse the rejection of claims 12-24 under 35 U.S.C. § 103(a) as being unpatentable over “Primavera, as evidenced by Brochure.” For purposes of furthering prosecution, Applicants assume that the Examiner’s rejection is based on the combined teachings of the PRIMAVERA Article and the PRIMAVERA Brochure under 35 U.S.C. § 103(a).

Claim 12 recites, in part, “creating a general contract schedule of values relating to the project, the general contract schedule of values comprising a plurality of general contract line items; receiving at least one subcontract schedule of values via the packet switched data network, the subcontract schedule of values comprising a plurality of subcontract line items; receiving at least one subcontract application for payment via the packet switched data network, the subcontract application for payment including the subcontract line items ....” The Examiner relied on paragraph 8 of the PRIMAVERA Article to teach both general contract line items and subcontract line items. However, paragraph 8 does not mention “line items” at all. Further, paragraph 8 only discusses a schedule of values with respect to subcontractors, not a general contractor.

Claim 12 further recites, in part, “ receiving associations between the subcontract line items of each subcontract schedule of values and the general contract line items of the general contract schedule of values; ... updating the general contract

line items based on information in the associated subcontract line items received in the subcontract application for payment; and creating a general contract application for payment based on the updated contract line items; wherein the general contract application for payment automatically determines a total performed work amount and a payment amount due based on the total completed work amount.” The Examiner acknowledged that the PRIMAVERA Article and the PRIMAVERA Brochure (combined) do not disclose these features.

The Examiner unsubstantiated statement that “it would have been obvious to a person having skill in the art ... to apply the same methods of Primavera to progress payments between a general contractor and an owner or other similar entity in order to move efficiently track the progress of construction and effectuate prompt and accurate payments thereof.” Official Action, p. 14. However, claim 12 does not simply recite a general contractor applying for progress payments. Significantly, claim 12 includes associating subcontract and general contract line items, updating general contract line items based on associated subcontract line items, creating the general contract application for payment based on the updated line items, and automatically determining total performed work amount (based on the updated general contract line items) and a payment amount due based on the total performed work amount. The Examiner does not address these significant additional claim recitations, and provides no evidence whatsoever that they would be obvious to one of ordinary skill in the art.

Accordingly, Applicants respectfully request the rejection of claim 12 under 35 U.S.C. § 103(a) to be withdrawn. Claims 13-24 depend from claim 12 and are therefore allowable for at least the reasons discussed above.<sup>3</sup>

Further, claims 13-24 are allowable in view of their additional recitations of novelty. For example, claim 15 recites, in part, “initially creating a project profile and assigning roles to participants, including the at least one subcontractor and at least one of an owner and an architect.” The Examiner relied on paragraph 16 of the PRIMAVERA Article, which states that facility owners and their engineers and



contractors “collaborate over the Internet.” The Examiner asserted that facility owners, engineers and contractors collaborating teaches creating a project file and assigning roles to participants. However, there is no mention of a project file or assigning roles to participants in the PRIMAVERA Article.

In addition, claims 16 and 17 depend from claim 15. Claim 16 recites, in part, “in which assigning roles comprises selecting at least one of the participants from a database accessible by the web server,” and claim 17 recites, in part, “in which assigning roles comprises identifying a proxy to represent the at least one of the participants, wherein the subcontract schedule of values and the subcontract application for payment are received from the proxy.” The Examiner relied on the same portion of the PRIMAVERA Article in rejecting claims 16 and 17. However, there is no mention of a database or selecting participants from a database (claim 16) and there is no mention of a proxy (claim 17), as acknowledged by the Examiner.

Further, with respect to claim 17, the Examiner asserted that a “proxy” is simply someone authorized to act for another, and that facility owners, engineers and contractors may authorize others to act for them. However, there is absolutely no teaching or suggestion of facility owners, engineers and contractors authorizing others to act for them in the PRIMAVERA Article, particularly in the manner in which proxies are disclosed in the present application. See, e.g., paras. [0036] – [0039]. For example, a proxy is created when a participant is not in the database.

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<sup>3</sup> New independent claim 34 recites subject matter similar to that of claim 12, and therefore new claims 34-37 are allowable over the PRIMAVERA Article and/or the PRIMAVERA

**Conclusion**

No other issues remaining, reconsideration and favorable action upon the claims 1-4, 6-7, 11-24 and 28-37 now pending in the application are requested.

Respectfully submitted,  
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Brochure for at least substantially the same reasons set forth with respect to claim 12.